

ASSEMBLY BILL

No. 1602

Introduced by Assembly Member Laird
(Coauthors: Assembly Members Benoit, Bogh, Cogdill, Haynes,
Leslie, and Nakanishi)
(Coauthors: Senators Alquist, Battin, Cox, Hollingsworth, and
Maldonado)

February 22, 2005

An act to amend Section 11005 of the Revenue and Taxation Code,
relating to local government finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1602, as introduced, Laird. Local government finance.

The Vehicle License Fee (VLF) Law establishes, in lieu of any ad valorem property tax upon vehicles, an annual license fee for any vehicle subject to registration in this state. Under existing law, the Controller is required to allocate vehicle license fee revenues to in the Motor Vehicle License Fee Account to cities, counties, and cities and counties, in the amounts determined under specified formulas. Existing law provides that these allocations are to be made on a monthly basis and requires these allocations be made based on the proportion that the population of each city, county, or city and county bears to the total population of all cities, counties, and cities and counties in the state. Existing law requires that additional allocations are to be made to specified cities in an amount equal to VLF revenues that would have been allocated to those cities under specified provisions of law, as those laws existed on January 1, 2004. Existing law identifies those recipient cities as cities for which the population was computed under a specified statute as of August 5, 2004.

This bill would delete the requirement that cities receiving these additional allocations be cities for which the population was computed under that statute as of August 5, 2004.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 11005 of the Revenue and Taxation
2 Code is amended to read:
3 11005. After payment of refunds therefrom and after making
4 the deductions authorized by Section 11003 and reserving the
5 amount determined necessary by the Pooled Money Investment
6 Board to meet the transfers ordered or proposed to be ordered
7 pursuant to Section 16310 of the Government Code, commencing
8 with the 2004–05 fiscal year, the balance of all motor vehicle
9 license fees and any other money appropriated by law for
10 expenditure pursuant to this section and deposited to the credit of
11 the Motor Vehicle License Fee Account in the Transportation
12 Tax Fund and remaining unexpended therein at the close of
13 business on the last day of the calendar month, shall be allocated
14 by the Controller by the 10th day of the following month in
15 accordance with the following:
16 (a) First, to the County of Orange. For the 2004–05 fiscal year,
17 that county shall be allocated fifty-four million dollars
18 (\$54,000,000) in monthly installments. For the 2005–06 fiscal
19 year and each fiscal year thereafter, that county shall receive, in
20 monthly installments, an amount equal to the amount allocated
21 under this section for the prior fiscal year, adjusted for the
22 percentage change in the amount of revenues credited to the
23 Motor Vehicle License Fee Account in the Transportation Tax
24 Fund from the revenues credited to that account in the prior fiscal
25 year. Moneys allocated to the County of Orange under this
26 subdivision shall be used first for the service of indebtedness as
27 provided in paragraph (1) of subdivision (a) of Section 11001.5.
28 Any amounts in excess of the amount required for this service of
29 indebtedness may be used by that county for any lawful purpose.
30 (b) Second, to each city, the population of which is determined
31 under Section 11005.3 ~~on August 5, 2004~~, in an amount equal to
32 the additional amount of vehicle license fee revenue, including

1 offset transfers, that would be allocated to that city under
2 Sections 11000 and 11005, as those sections read on January 1,
3 2004, as a result of that city's population being determined under
4 Section 11005.3.

5 (c) Third, to the cities and cities and counties of this state in
6 the proportion that the population of each city or city and county
7 bears to the total population of all cities and cities and counties in
8 this state, as determined by the population research unit of the
9 Department of Finance. For the purpose of this subdivision, the
10 population of each city or city and county is that determined by
11 the last federal decennial or special census, or a subsequent
12 census validated by the demographic research unit or subsequent
13 estimate prepared pursuant to Section 2107.2 of the Streets and
14 Highways Code.